

S E C R E T

DCI BRIEFING

22 May 1961

SOUTH ASIA

- I. Nehru, despite preoccupation with his two major problems--relations with Peiping and new Third Five Year Plan--has recently returned to active role as international conciliator.
 - A. Nehru used his personal influence to maximum in moving Laos problem toward peaceful solution through reliance on Indian-led ICC.
 1. New Delhi views Indian and Western policy objectives now as identical, but is likely to disagree in negotiations on tactics and interpretation of truce terms.
 2. Indians calculate that any settlement on Laos will favor Communists; they are worried that Chinese Communists--working through Pathet Lao--will gain dominance in Laos, thus are lending some support to Soviets in hopes of countering Chinese influence.
 - B. Nehru continues to give strong support to UN effort in Congo, with more than 4,000 Indian troops now on scene (mostly in Katanga).
- II. Sino-Indian border dispute remains deadlocked with little basis for further efforts toward solution.
 - A. New Delhi continues urgent program to strengthen defenses along frontier, including purchase of transport aircraft from USSR and more Canberras from UK.

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- III. Pushtoonistan dispute, involving longstanding Afghan demand that Pushtoon tribes living on Pakistani side of border be given right of self-determination, recently has reached more dangerous stage.
- A. Kabul has sent regular Afghan troops disguised as tribesmen into Pakistani tribal territory as part of effort to incite rebellion against Pak government.
 - B. About 1,000 Afghan guerrillas, using old British mortars and machine guns, attacked Pakistani garrisons near border on 20 May.
 - C. Latest clash may lead to new criticism of US by both sides.
 - 1. Pakistan complains US "neutrality" makes Afghans "bolder."
 - 2. Afghanistan charges US military aid to Pakistan has been used against "oppressed" tribal people.
- IV. Political and economic situation in Nepal is deteriorating steadily, as King Mahendra fails to make a go of his personal rule and political elements ousted in December step up their resistance activities.

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